



Entergy

Entergy Arkansas, Inc.  
Regulatory Affairs  
425 West Capitol Avenue  
P O Box 551  
Little Rock, AR 72203-0551  
Tel 501 377 4000

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T.R.A. DOCKET ROOM

January 31, 2005

Mr Pat Miller, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re Tennessee Regulatory Authority (TRA) Docket No 03-00486  
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain  
Financing Transactions During the Years 2004 Through 2006

Dear Mr. Miller

Pursuant to the approving Order issued October 31, 2003, in TRA Docket No 03-00486, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc 's compliance financing report filed January 28, 2005, with the Arkansas Public Service Commission in APSC Reporting Docket No 86-033-A and APSC Docket No 03-139-U

This report is in regard to EAI's January 19, 2005, issuance of \$175 million aggregate principal amount of First Mortgage Bonds

If you have any questions or need additional information, please do not hesitate to call me at 501-377-5489

Sincerely,

William R Morgan  
Manager, Regulatory Affairs

WM/tj  
Attachments



Entergy

ARK. P.U.  
SEC. 10-1  
JAN 28 11 59 AM '05

Entergy Arkansas, Inc.  
425 West Capitol Avenue  
P.O. Box 551  
Little Rock, AR 72203-0551  
Tel: 501 377 4457  
Fax: 501 377 4415

Steven K. Strickland  
Vice President  
Regulatory Affairs

FILED

January 28, 2005

Ms. Diana Wilson, Secretary  
Arkansas Public Service Commission  
P. O. Box 400  
1000 Center Street  
Little Rock, AR 72203-0400

Re: Originating Docket: 03-139-U  
Report Docket: 86-033-A  
Pursuant to Order No. 2  
In the Matter of the Application of Entergy Arkansas, Inc.  
for Authorization to Enter Into Certain Financing  
Transactions During the Years 2004 Through 2006

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings regarding its January 19, 2005, issuance of \$175,000,000 aggregate principal amount of First Mortgage Bonds. This report is required under Order No. 2 in Docket No. 03-139-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

SS/tj  
Attachments

**ENTERGY ARKANSAS, INC.**

**ISSUANCE OF FIRST MORTGAGE BONDS:  
\$175,000,000 5.66% SERIES DUE FEBRUARY 1, 2025**

**EXECUTIVE SUMMARY**

**TRANSACTION ANALYSIS AND RESULTS**

On Wednesday, January 19, 2005, Entergy Arkansas, Inc. ("EAI"), issued \$175,000,000 aggregate principal amount of First Mortgage Bonds at an interest rate of 5.66%. The net proceeds will be used to redeem, prior to maturity, \$175,000,000 in principal amount of EAI's First Mortgage Bonds, 7% Series due October 1, 2023, at a redemption price of 102.54% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date. First Mortgage Bonds proved to be the best method for financing due to lower pricing and better demand (as compared to unsecured debt) in the current market environment. The new bonds mature in twenty years and are callable at par after ten years.

The net proceeds from the issuance were \$173,421,500 after deducting underwriting expenses. Additional expenses are estimated to be approximately \$165,000. Actual expenses will not be known for several months subsequent to closing.

**SUMMARY OF TERMS**

<b><u>Principal Amount:</u></b>	\$175,000,000
<b><u>Maturity Date:</u></b>	2/1/2025
<b><u>Optional Call Provisions:</u></b>	Make-whole call until 2/1/2015, then callable at par on 2/1/2015 or anytime thereafter
<b><u>Underwriters:</u></b>	CITIGROUP GLOBAL MARKETS INC. MORGAN STANLEY & CO. INCORPORATED BNP PARIBAS SECURITIES CORP. GREENWICH CAPITAL MARKETS, INC. J.P. MORGAN SECURITIES INC. STEPHENS INC.
<b><u>20 Year Treasury Yield @ Pricing:</u></b>	4.732%
<b><u>Spread to Treasury:</u></b>	0.93%
<b><u>Yield to Public:</u></b>	5.662%
<b><u>Coupon Rate:</u></b>	5.66%

**SUMMARY OF TERMS (CONTINUED)**

<u>Price to Public:</u>	99.973%
<u>Underwriters' Compensation:</u>	0.875%
<u>Price to Company:</u>	99.098%
<u>Proceeds to Company:</u>	\$173,421,500

**JOURNAL ENTRIES**

Exhibit A shows journal entries related to the issuance of the new series of First Mortgage Bonds.

ENTERGY ARKANSAS, INC.  
ENTRIES TO RECORD THE ISSUANCE OF  
\$175,000,000 FIRST MORTGAGE BONDS

Entry No. 1

Cash	\$173,421,500.00	
Unamortized Debt Expense – FMB (Underwriting Fee)	\$1,531,250.00	
Unamortized Discount on Long Term Debt	\$ 47,250.00	
Long Term Debt – First Mortgage Bonds		\$175,000,000

To record the sale of \$175,000,000 principal amount of 5.66% Entergy Arkansas, Inc. First Mortgage Bonds, due February 1, 2025, and the related underwriting fee.

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Entry No. 2

Unamortized Debt Expense – FMB	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$175,000,000 principal amount of 5.66% Entergy Arkansas, Inc. First Mortgage Bonds, due February 1, 2025 (\*Total expenses are estimated to be approximately \$165,000. Actual expenses will not be known for several months subsequent to closing.)

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Entry No. 3

Amortization – Discount on Long Term Debt *	\$2,246	
Unamortized Discount on Long Term Debt *		\$ 2,246

To record the annual amortization of debt discount in connection with the issuance of \$175,000,000 principal amount of 5.66% Entergy Arkansas, Inc. First Mortgage Bonds, due February 1, 2025.

\*NOTE: This amount represents the amount of discount that will be amortized for 2005 only. The annual amortization of the debt discount for all other years will be \$2,346.

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Entry No. 4

Amortization – Expenses for Long Term Debt *	\$72,789	
Unamortized Debt Expense for Long Term Debt *		\$72,789

To record the annual amortization of underwriting fee in connection with the issuance of \$175,000,000 principal amount of 5.66% Entergy Arkansas, Inc. First Mortgage Bonds, due February 1, 2025.

\*NOTE: This amount represents the amount of expenses that will be amortized for 2005 only. The annual amortization of the debt expense for all other years will be \$76,627.

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**Entry No. 5**

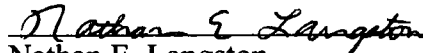
Long Term Debt	\$175,000,000
Unamortized Loss	\$6,571,183
Unamortized Expense	\$109,403
Unamortized Discount	\$2,016,780
Call Premium	\$4,445,000
Cash	\$175,000,000

To record the unwinding of the \$175,000,000 principal amount of 7% Entergy Arkansas, Inc. First Mortgage bonds due October 1, 2023 being redeemed in connection with the issuance of \$175,000,000 principal amount of 5.66% Entergy Arkansas, Inc. First Mortgage Bonds, due February 1, 2025.

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ENTERGY ARKANSAS, INC.

I, Nathan E. Langston, Senior Vice President and Chief Accounting Officer, attest on this 26th day of January, 2005, that the journal entries attached as Exhibit A correctly reflect the effect of the sale on January 19, 2005 of \$175,000,000, 5.66% Entergy Arkansas, Inc. First Mortgage Bonds due February 1, 2025.

  
Nathan E. Langston  
Senior Vice President and Chief Accounting Officer